

Exhibit “A”

Stock Purchase Agreement

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT made this ____ day of ____, 2000, by and between XTRACOM, INC., an Illinois Corporation, of 833 W. Chicago Ave., Suite 201, Chicago, Illinois, (the "Company") by and through STEVEN SHYMAN, its sole shareholder ("Seller"), and BLUE SHIFT TELECOM, LTD., an Illinois Corporation, of 853 Sanders Road, Suite 180, Northbrook, Illinois ("Buyer").

WHEREAS Seller owns one hundred (100) shares that constitute all of the outstanding shares of common stock of the Company; and

WHEREAS the Seller desires to sell to Buyer one hundred (100) shares that represents one hundred (100%) percent of the outstanding shares of common stock of the Company in accordance to the terms and conditions hereinafter set forth:

NOW in consideration of the representations, covenants and warranties stated herein the Seller and Buyer agree as follows:

I. SALE OF SHARES

On the Closing Date, as hereinafter defined, the Seller agrees to sell, assign, transfer, convey, and deliver to Buyer all right, title, and interest in and to the number of shares of common stock of the Company set forth opposite the Shareholder's name in the following schedule ("Stock"), and the Buyer agrees to purchase from the Seller the number of shares free and clear of all liens, charges, encumbrances, equities, claims, and options of any kind whatsoever:

<u>NAME OF SHAREHOLDER</u>	<u>NUMBER OF SHARES OWNED</u>	<u>NUMBER OF SHARES SOLD</u>	<u>NUMBER OF SHARES RETAINED</u>
Steven Shyman	100	100	0.00

II. PURCHASE PRICE

The total Purchase Price for the sale of the stock shall be . In addition to the purchase price, Buyer shall pay to Seller a total of \$, which Seller shall utilize exclusively for payment of those expenses necessary to keep Company current with respect to its regulatory and secretary of state registrations in the relevant states, as identified in Exhibit A hereto, up through June 30, 2000. Payments shall be made as follows:

- A. At the Pre-Closing, Buyer shall pay a total of \$ in certified funds to the Seller; \$ of this payment will be applied towards the Purchase Price, and \$ will be utilized to pay the maintenance of regulatory and secretary of state registrations. The \$ portion of the payment will be non-refundable.
- B. The remaining \$ of the Purchase price will be paid into an mutually agreed upon escrow account. Buyer shall pay the costs, if any, of the escrow account. The escrow agent will be instructed to release one-half of the escrowed funds upon the approval of the regulators of the transfer of the certifications/tariffs in the first half of those states identified in Exhibit A. The balance of the escrow will be released upon the earlier of the approval of the regulators of the transfer of the certifications/tariffs in the remaining states, or one hundred twenty (120) days after the Pre-Closing of this Agreement; and;
- C. Buyer shall use it best efforts in making applications for the transfer of the subject certifications/tariffs. With the specific exception contained in Paragraph VII or a breach of the warranties contained in Paragraph VIII, all payments once made to Seller are non-refundable.

III. BUYER'S RESPONSIBILITIES

- A. Buyer assumes all responsibilities, costs and expenses for the transferring of any certifications/tariffs conveyed by means of this Agreement;
- B. Buyer represents and warrants that it will use its best efforts to effectuate the transfer of the tariffs as soon as possible; and
- C. Buyer represents and warrants that it has no knowledge or understanding of any facts or information that may impede or prevent the successful transfer of the certifications/tariffs conveyed by means of this Agreement.

IV. EXCLUDED ASSETS

The following assets of the Company are excluded from this Agreement:

- D. Banco Popular Bank Account #0224782;
- E. Banco Popular C. D. #410034339;
- F. Cosmopolitan Bank Account #1110357;
- G. Phone number (312) 243-8660;
- H. CIC Codes;
- I. All desks, file cabinets and office equipment; and
- J. Proceeds of the Contracts identified in Exhibit B hereto.

V. PAYMENT FOR COVENANT NOT TO COMPETE

/ Of the Purchase Price Buyer is paying to Seller, \$ represents the compensation to Seller for Seller's agreement not to compete with the Company. Seller agrees to execute the non-compete agreement attached hereto as Exhibit C.

VI. CLOSING DATE

The Pre-Closing of this transaction shall take place at the Buyer's office on July _____, 2000, or on such other day as the parties may agree in writing. This date is herein called the "Pre-Closing Date", at which Buyer shall deliver that portion of the Purchase Price identified in Section II (A). At the final the closing, the Seller will deliver to the Buyer a stock certificate representing the one hundred (100) shares of common stock of the Company as more fully described above, duly endorsed or with stock powers attached thereto. Buyer will deliver to the Seller the remainder of the Purchase Price which has not yet been paid as identified in Section II (B).

VII. CONDITIONS OF CLOSING

The transaction herein contemplated is expressly subject to the satisfaction, prior to the closing, of the following described conditions. The failure of any condition to be satisfied at or prior to the closing shall render this Agreement null and void, and all money or documents previously delivered shall be returned to their original owner, and the parties shall be relieved of all liabilities hereunder.

- A. Approval by Board of Directors of the Company of the Buyer's purchase of the shares contemplated herein.
- B. Seller shall tender at or before the closing her stock certificates representing her existing ownership of the common stock of the Company, which certification shall be marked "CANCELED" at the closing.
- C. Seller shall provide Buyer with current judgment and lien search for the Company which evidences that no judgments or liens of any kind or nature currently exist with respect to the Company.

- D. Seller shall provide a change of Registered Agent form as directed by Buyer.
- E. Seller shall provide Buyer with the resignation of the current corporate officers and directors of the Company.

VIII. SELLER'S REPRESENTATIONS AND WARRANTIES

- A. The Company is an Illinois corporation in good standing as evidenced by the Certificate Of Good Standing issued by the Illinois Secretary of State attached hereto as Exhibit D.
- B. Seller has the authority, power and right to effectuate the transactions contemplated herein.
- C. Seller and company represent and warrant, there is no suit, action, proceeding, claim or investigation by any governmental agency pending or threatened against the Company.
- D. Seller has not previously pledged, optioned, transferred or assigned his shares of common stock of the Company to any other individual or entity and she owns the issues outright not subject to any liens or encumbrances.
- E. Seller and Company represent and warrant, there is no suit, action, proceeding, claim or arbitration presently threatened or actually initiated against or involving the Company.
- F. The execution of this Stock Purchase Agreement and Buyer's compliance with the terms thereof will not violate or conflict with or constitute a default under any provision or term of the articles of incorporation or bylaws of the Company, any law, statute, governmental regulation or to the best of Seller's knowledge, any

- license, decree, order, agreement, indenture or other instrument applicable to the Company.
- G. The Company has all the right, title and interest in the registrations identified in Exhibit A.
- H. Seller hereby agrees to cooperate if, after the Closing Date, certain documents, permits or registration related papers, require his signature to effectuate the terms and conditions stated herein.
- I. The relationships of the Company with its vendors and customers are good commercial working relationships and no vendors of the Company have canceled or otherwise terminated or threatened in writing to cancel or otherwise terminate its relationship with the Company following the consummation of the transactions contemplated herein.
- J. Seller warrants that the capitalization of the Company consists of 1000 shares of common stock of which only one hundred (100) shares have been issued.
- K. Seller warrants that the Secretary of State (Foreign Qualification) and Regulatory certifications, for the states identified in Exhibit A hereto, maintained by Company are current and have not been canceled or threatened to be canceled.
- L. Seller warrants that, other than those contracts identified in Exhibit B hereto, there are no material contracts to which the Company is bound.
- M. Seller warrants that there are no liens or judgments, tax or otherwise, presently existing or threatened against the Company.

IX. TAX RETURNS AND TAXES

The Company has filed all federal, state, county and applicable local tax returns and reports and other such tax returns and reports as are required to be filed, and paid all applicable taxes, except those local tax returns and other reports for which failure to file does not individually or in the aggregate have a materially adverse effect on the financial or other condition, business, prospects, assets, or good will of the Company. For purposes of this Section, materiality will be defined to mean an amount not to exceed \$1,000 in the aggregate for all taxes of any kind or nature whatsoever.

Buyer represents and warrants that it and its appointed agents have not relied upon any oral representation, promise or other statement of the Seller in agreeing to execute this Agreement or any of the transactions contemplated herein.

X. SECURITIES LAWS

Seller has disclosed and Buyer hereby acknowledges that the common stock to be delivered hereunder is not a registered security as that term is used in the Securities Act of 1933, 15 U.S.C. §77, et seq., or in the Illinois Securities law of 1953, 815 ILCS 5/1, et seq.

The sale of stock pursuant to this Agreement does not violate any state or federal law or regulation with regard to the sale of stock.

XI. PURCHASE FOR INVESTMENT

Buyer is purchasing the stock of the Seller as an investment and based on the present business conditions does not contemplate a resale of the stock so purchased.

Buyer further represents that it has the power and authority to enter into this transaction consistent with its internal rules and by-laws.

XII. INDEMNIFICATION

- A. The parties agree to indemnify and hold the other party and respective officers, directors, employees, agents, assigns and representatives of the other harmless from and against any claims asserted by lawsuit or arbitration for all costs, expenses, losses, claims, damages, penalties, fines, direct and liquidated liabilities and obligations whenever arising or incurred (including, without limitation, amounts paid in settlement, costs of investigation and attorneys' fees and expenses, but not including consequential damages) (individually, a "Loss", and collectively, "Losses") arising out of or relating to the operation of the Corporation, or any transactions contemplated by this Agreement.
- B. Seller individually agrees to indemnify, defend and hold Buyer harmless from and against any and all charges, losses, damages, liabilities and obligation actually incurred (including without limitation reasonable attorneys' and accountants fees and other costs and expenses of Buyer as an incident to seeking indemnification) arising out of any breach by Seller of any representation or warranty set forth in Paragraph VIII of this Agreement and any covenant or obligations of Seller set forth in this Agreement.

XIII. MISCELLANEOUS

- A. All notices shall be in writing and shall be considered served when deposited in the U. S. Mail, by certified mail, return receipt requested, or when placed for delivery with a nationally recognized courier service addressed as follows:

To Seller:

To Buyer:

Steven Shyman
160 Goethe
Chicago, Illinois 60610

Blue Shift Telecom, Ltd.
853 Sanders Road, Suite 180
Northbrook, Illinois 60062
Attention: Barry Chessick

With copies to:

Alan Block, Esq.
Block & Landsman
180 N. LaSalle, Suite 2400
Chicago, Illinois 60601

The Parties shall notify each other, in writing, of any change in their address.

- B. All parties represent that they have the opportunity to review this Agreement, amend the same and have their respective counsel and/or representative review and approve of this Agreement.
- C. This Agreement is subject to and governed by the laws of the State of Illinois without regard to any conflict of law provisions.
- D. Any litigation to enforce any provision of this Agreement shall occur in the Circuit Court of Cook County, Illinois and the parties agree to submit to that Court's jurisdiction. The prevailing party in any litigation to enforce any term of this Agreement shall be entitled to its costs including reasonable attorneys' fees.
- E. If any portion of this Agreement shall be adjudicated invalid by a court of competent jurisdiction, then the remaining portions of this Agreement shall remain in full force and effect.
- F. This Agreement contains the entire understanding of the parties with respect to the subject matter of this Agreement. There are no restrictions, agreements, promises,

warranties, covenants, or undertakings other than those expressly set forth herein.

This Agreement supersedes all prior agreements and understandings between the parties with respect to the subject matter and may be amended only by written instrument executed by all the parties.

- G. The representations, warranties, covenants and obligations of the parties as set forth in this Agreement and the Exhibits hereto shall survive closing.

ENTERED INTO AND EFFECTIVE THE DATE FIRST WRITTEN ABOVE:

BUYER:

COMPANY:

BLUE SHIFT TELECOM, LTD.

XTRACOM, INC.

By: _____
Barry Chessick, its _____

By: _____
Steven Shyman, President

SELLER:

By: _____
Steven Shyman, individually